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Chief, A/F

12 August 1958

THRU : Chief, D/S
Chief, S/COM

S/COM contribution to NIE 13-59, Economic Plans and Production of Communist China, 1958 and 1959-1962, as conditioned by the Economic Area Meeting of 5 August 1958.

1. In the expanded production aims of the Chinese economy, emphasis is to fall on local, small scale producing units and on apparent decentralization of production effort. If this is the case, production will have to be coordinated among widely dispersed geographical locations. The multitude of orders necessitated by such a production program, involving coordination of transportation, storage, raw material, collection, and distribution problems, certainly should be reflected in changing patterns of demand for post and telecommunications services. These changing patterns will not only involve the establishment of new, lateral lines of communications, but should also require the realignment and probable expansion of major trunk facilities between key economic centers throughout the country. It is believed that a study of such changes in post and telecommunications services patterns should shed light on the development of this localized, small scale production effort apparently to be undertaken in Communist China. It is to this point that S/COM will direct its research effort in support of NIE 13-59.

2. A currently scheduled branch project, 46.2314, Regional Survey of Post and Telecommunications Services in Communist China, should provide a major portion of the background material needed for the NIE contribution. No additional research time is therefore expected. The responsible S/COM analyst is Mr. Albert Bende.

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